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INTERSTATE COMMERCE COMMISSION

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ALAN R. WENTZEL
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*ADMITTED IN D.C. AND KANSAS ONLY

March 6, 1985

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ICC Washington, D. C.

BY HAND

Secretary
Interstate Commerce Commission
12th & Constitution, N.W.
Washington, D.C. 20324

Attention: Mildred Lee
Room 2303

Dear Secretary:

As counsel to Middle America Equipment Corporation, we have enclosed an original and one copy of the document described below to be recorded pursuant to section 11303 of title 49 of the U.S. Code.

This document is a Lease of Railroad Equipment, a primary document, dated as of July 1, 1983, pursuant to which Middle America Equipment Corporation transfers certain units of railroad equipment to Escanaba & Lake Superior Railroad Company.

The names and addresses of the parties to the document are as follows:

Lessor: Middle America Equipment Corporation
c/o Condren, Walker & Co., Inc.
450 Park Avenue
New York, New York 10022

Lessee: Escanaba & Lake Superior Railroad Company
Wells, Michigan 49894

Anthony David Tucker
Anthony David Tucker

follows: A description of the equipment covered by the document

39 100-ton 70' 1" bulkhead flat cars manufactured by Thrall Manufacturing Company bearing the respective car numbers set forth in Schedule A to the Lease of Railroad Equipment referred to above.

follows: A short summary of the document to appear in the Index

Lease of Railroad Equipment covering 39 100-ton 70' 1" Thrall bulkhead flat cars.

A fee of \$10.00 is enclosed. Please return the copy of the enclosed Lease of Railroad Equipment to the undersigned or the person delivering this letter.

Very truly yours,



Michael Connolly

MC/lt
Enclosures

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INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT, dated as of July 1, 1983, between MIDDLE AMERICA EQUIPMENT COMPANY, a New York limited partnership (hereinafter called the Lessor) and ESCANABA & LAKE SUPERIOR RAILROAD COMPANY (hereinafter called the Lessee).

WHEREAS, the Lessor owns the 39 70'1", 100-ton bulkhead flat cars manufactured by Thrall Manufacturing Company bearing the numbers set forth in Annex A hereto (hereinafter called the Units); and

WHEREAS, the Lessee desires to lease all the Units at the rentals and for the terms and upon the conditions hereinafter provided;

NOW, THEREFORE, in consideration of the premises and the payment by Lessee to Lessor of \$62,400 prior to the execution and delivery hereof, receipt of which is hereby acknowledged by Lessor, and in consideration of the rentals to be paid and the covenants hereinafter mentioned to be kept and performed by the Lessee, the Lessor hereby leases the Units to the Lessee upon the following terms and conditions:

§1. Delivery and Acceptance of Units. The Lessor will cause each Unit to be tendered to the Lessee at the point or points within the United States of America at which such Unit is delivered to the Lessor by Illinois Central Gulf Railroad Company, the present lessee thereof. Upon

such tender, the Lessee will cause an authorized representative of the Lessee to inspect the same, and if such Unit is found to be in interchange condition, to accept delivery of such Unit and to execute and deliver to the Lessor a certificate of acceptance (hereinafter called the "Certificate of Delivery"); whereupon such Unit shall be deemed to have been delivered to and accepted by the Lessee and shall be subject thereafter to all the terms and conditions of this Lease. If any Unit is found, upon such tender, not to be in interchange condition, Lessee may reject the same by refusing to accept delivery thereof and shall forthwith give written notice of said rejection to Lessor. Any Unit so rejected will not be subject to the terms and conditions of this Lease; the monthly rental payments in §2 hereof will be reduced by 1/39th thereof for each Unit so rejected; and the amount of \$1,600 per Unit of the \$62,400 previously paid to Lessor as referred to above will be repaid to the Lessee by the Lessor in respect of each Unit so rejected.

§2. Rentals. The Lessee agrees to pay to the Lessor as rental for all Units subject to this Lease twenty-four (24) monthly payments, each of which shall be in the amount of \$11,866.44. The first of such payments shall be payable on July 31, 1983 and subsequent installments shall be paid monthly thereafter on the last day of each month (or if any such date is not a business day on the next succeeding business day).

All payments provided for in this Lease to be made to the Lessor shall be paid to the Lessor, care of Condren, Walker & Co. Incorporated, 9 West 57th Street, New York, N.Y. 10019.

This Lease is a net lease and the Lessee shall not be entitled to any abatement of rent, reduction thereof or set-off against rent, including, but not limited to, abatements, reductions or set-offs due or alleged to be due to, or by reason of, any past, present or future claims of the Lessee against the Lessor under this Lease or otherwise; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use of or destruction of all or any of the Units from whatsoever cause, the prohibition of or other restriction against Lessee's use of all or any of the Units, the interference with such use by any private person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, or lack of right, power or authority of the Lessor to enter into this Lease, or by reason of any failure by the Lessor to perform any of its obligations herein contained, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder

shall continue to be payable in all events in the manner and at the times herein provided. The Lessor agrees to indemnify the Lessee for any payments Lessee is required to make to a third party due to the legal inability of the Lessor to lease or convey title to the Units. In addition, nothing in this paragraph shall be interpreted to waive any warranties of title given or to be given by the Lessor in regard to the Units.

§3. Term of Lease. The term of this Lease as to each Unit shall begin on the date of the delivery to and acceptance by the Lessee of such Unit and, subject to the provisions of §10 hereof, shall terminate on the date on which the final monthly payment of rent is due hereunder.

§4. Identification Marks. The Lessee will cause each Unit to be kept numbered with its identifying number as set forth in Annex A hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of such Unit, in letters not less than one inch in height, the words, "MIDDLE AMERICA EQUIPMENT COMPANY, OWNER" or other appropriate words designated by the Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the title of the Lessor and the rights of the Lessor under this Lease. The Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such names and word or words shall have been so marked on both

sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not permit the identifying number of any Unit to be changed except in accordance with a statement of new identifying numbers to be substituted therefor, which statement previously shall have been filed with the Lessor by the Lessee and filed, recorded or deposited in all public offices where this Lease will have been filed, recorded or deposited.

Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Units as a designation that might be interpreted as a claim of ownership; provided, however, that the Lessee may cause the Units to be lettered with the names or initials or other insignia customarily used by the Lessee or its affiliates on railroad equipment used by it of the same or a similar type for convenience of identification of the right of the Lessee to use the Units under this Lease.

§5. Taxes. All payments to be made by the Lessee hereunder will be free of expense to the Lessor for collection or other charges and will be free of expense to the Lessor with respect to the amount of any local, state or federal taxes (other than the Federal income tax payable by the Lessor in consequence of the receipt of payments provided herein and other than state or city income taxes or franchise taxes measured by net income based on such receipts, up to

the amount of any such taxes which would be payable to the state and city in which the Lessor has its principal place of business without apportionment to any other state, except any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided), assessments or licenses (and any charges, fines or penalties in connection therewith) hereinafter levied or imposed upon or in connection with or measured by, this Lease or any sale, rental, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which expenses, taxes, assessments, licenses, charges, fines and penalties the Lessee assumes and agrees to pay on demand in addition to the payments to be made by it provided for herein. The Lessee will also pay promptly all taxes, assessments or licenses (and any charges, fines or penalties in connection therewith) which may be imposed upon any Unit or for the use or operation thereof or upon the earnings arising therefrom or upon the Lessor solely by reason of its ownership thereof and will keep at all times all and every part of such Unit free and clear of all taxes and assessments which might in any way affect the title of the Lessor or result in a lien upon any such Unit; provided, however, that the Lessee shall be under no obligation to pay any taxes, assessments, licenses, charges, fines or penalties of any kind (hereinafter called "impositions") so long as it is contesting in good faith and by appropriate

legal proceedings such impositions and the nonpayment thereof does not, in the opinion of the Lessor or the appropriate Vendor, adversely affect the property or rights of the Lessor or such Vendor hereunder or under the Conditional Sales Agreements. If any impositions shall have been charged or levied against the Lessor directly and paid by the Lessor, the Lessee shall reimburse the Lessor on presentation of invoice therefor; provided, however, that the Lessee shall not be obligated to reimburse the Lessor for any impositions so paid unless the Lessor shall have been legally liable with respect thereto, or unless the Lessee shall have approved the payment thereof.

In the event any reports with respect to impositions are required to be made on the basis of individual Units the Lessee will either make such reports in such manner as to show the interest of the Lessor in such Units or will notify the Lessor of such requirement and will make such reports in such manner as shall be satisfactory to the Lessor.

In the event that, during the continuance of this Lease, the Lessee becomes liable for the payment or reimbursement of any impositions, pursuant to this §5, such liability shall continue, notwithstanding the expiration of the term of this Lease, until all such impositions are paid or reimbursed by the Lessee.

§6. Casualty Occurrence. In the event that any Unit shall be or become worn out, lost, stolen, destroyed or

irreparably damaged or obsolete or economically unserviceable for use from any cause whatsoever (such occurrences being hereinafter called Casualty Occurrences) during the term of this Lease, the Lessee shall not be released from any of its obligations hereunder.

§7. Annual Reports. On or before May 1 in each year commencing with the year 1984, the Lessee will furnish to the Lessor an accurate statement, as of the preceding January 1(a) showing the amount, description and numbers of the Units then leased hereunder, the amount, description and numbers of all Units that may have suffered a Casualty Occurrence during the preceding twelve months (or since the date of this Lease, in the case of the first such statement), and such other information regarding the condition and state of repair of the Units as the Lessor or any Vendor may reasonably request, and (b) stating that, in the case of all Units repainted during the period covered by such statement, the markings required by §4 hereof shall have been preserved or replaced.

§8. Compliance With Laws and Rules; Maintenance; and Indemnification. The Lessor makes no warranty or representation, either express or implied, as to the design, compliance with specifications, or condition of, or as to the quality of the material, equipment or workmanship in, the Units delivered to the Lessee hereunder, and THE LESSOR MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE UNITS

FOR ANY PARTICULAR PURPOSE, it being agreed that all such risks, as between the Lessor and the Lessee, are to be borne by the Lessee.

The Lessee agrees, for the benefit of the Lessor, to comply in all respects with all laws of the jurisdictions in which operations involving any Unit subject to this Lease may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over any such Unit, to the extent such laws and rules affect the operations or use of such Unit; and in the event such laws or rules require the alteration of any such Unit, the Lessee will conform therewith, at its expense, and will maintain the same in proper condition or operation under such laws and rules; provided, however, that the Lessee may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Lessor, adversely affect the property or rights of the Lessor hereunder.

The Lessee agrees that, at its own cost and expense, it will maintain and keep each Unit which is subject to this Lease in good order and repair.

Any and all additions to any Unit and any replacements thereto and of parts thereof made by the Lessee shall constitute accessions to such Unit and, without cost or

expense to the Lessor, there shall be immediately vested in the Lessor the same interest therein as the interests of the Lessor in such Unit.

The Lessee agrees to indemnify and save harmless the Lessor against any charge or claim made against the Lessor, and against any expense, loss or liability (including but not limited to counsel fees and expenses, penalties and interest) which the Lessor may incur in any manner by reason of entering into or the performance of this Lease or the ownership of, or which may arise in any manner out of or as the result of the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of, any Unit until the Lessee no longer has possession thereof or until no longer stored by the Lessee, whichever is later, and to indemnify and save harmless the Lessor against any charge, claim, expense, loss or liability on account of any accident in connection with the operation, use, condition, possession or storage of such Unit resulting in damage to property or injury or death to any person. The indemnities contained in this paragraph shall survive payment of all other obligations under this Lease or the termination of this Lease. The indemnities contained in this §8 do not apply to any loss by or claim against Lessor that is due to Lessor's breach of its obligations and warranties under this Lease.

The Lessee agrees to prepare and deliver to the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of the Lessor) any and all reports to be filed by the Lessor, with any Federal, state or other regulatory authority by reason of the ownership by the Lessor of the Units or the leasing of the Units to the Lessee.

§9. Return of the Units Upon Expiration of Term.

As soon as practicable on or after the expiration of the term of this Lease with respect to any Unit, the Lessee will, at its own cost and expense, at the request of the Lessor, deliver possession of such Unit to the Lessor upon such storage tracks of the Lessee as the Lessor may designate, or, in the absence of such designation, as the Lessee may select, and permit the Lessor to store such Unit on such tracks for a period not exceeding three months and transport the same, at any time within such three-months' period, to any reasonable place on the lines of railroad operated by the Lessee or to any connecting carrier for shipment, all as directed by the Lessor; the movement and storage of such Unit to be at the expense and risk of the Lessee. During any such storage period the Lessee will permit the Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser of any such Unit, to inspect the same. The assembling, delivery, storage and transporting of the Units as hereinbefore provided

are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units. If Lessor shall elect to abandon any Unit which has suffered a Casualty Occurrence or which after the expiration of this Lease the Lessor shall have deemed to have suffered a Casualty Occurrence, it may deliver written notice to such effect to the Lessee and the Lessee shall thereupon assume, and hold the Lessor harmless from all liability arising in respect of any, responsibility of ownership thereof, from and after receipt of such notice.

§10. Default. If, during the continuance of this Lease, one or more of the following events (hereinafter sometimes called Events of Default) shall occur:

A. default shall be made in the payment of any part of the rental provided in §2 hereof and such default shall continue for five days;

B. the Lessee shall make or permit any unauthorized assignment or transfer of this Lease or of possession of the Units, or any thereof;

C. default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein and such default shall continue for twenty-five days after written notice from the Lessor to the Lessee specifying the default and demanding the same to be remedied;

D. any proceedings shall be commenced by or against the Lessee for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments of indebtedness, reorganizations,

arrangements, compositions or extension (other than a law which does not permit any readjustment of the obligations of the Lessee hereunder), and all the obligations of the Lessee under this Lease shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed for the Lessee or for the property of the Lessee in connection with any such proceedings or otherwise given a status comparable to obligations incurred by such a trustee or trustees or receiver or receivers, within thirty days after such appointment, if any, or sixty days after such proceedings shall have been commenced, whichever shall be earlier;

then, in any such case, the Lessor, at its option may:

(a) proceed by appropriate court action or actions either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recovery damages for the breach thereof; or

(b) by notice in writing to the Lessee terminate this Lease, whereupon all right of the Lessee to the use of the Units shall absolutely cease and determine as though this Lease had never been made, but the Lessee shall remain liable as herein provided; and thereupon, the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Units may be and take possession of all or any of such Units and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use the Units for any purposes whatever; but the Lessor shall, nevertheless, have a right to recover from the Lessee any and all amounts which under the terms of this Lease may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee (i) as damages for loss of the bargain and not as a penalty, a sum, with respect to each Unit, which represents the excess of the present worth, at the time of such termination, of all rentals for such Unit which would otherwise have accrued hereunder from the date of such termination to the end of the term of this Lease as to such Unit over the then present worth of the then fair rental value of such Unit for such period computed by discounting to the date of such termination rentals which the Lessor

reasonably estimates to be obtainable for the use of the Unit during such period, such present worth to be computed in each case on a basis of an 8% per annum discount, compounded annually from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated, and (ii) any damages and expenses, including reasonable attorneys' fees, in addition thereto which the Lessor shall have sustained by reason of the breach of any covenant or covenants of this Lease other than for the payment of rental, including, without limitation, expenses of resale or re-leasing (including incidental transportation costs incurred by Lessor).

The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims to any offset against the rental payments due hereunder, and agrees to make rental payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf.

The failure of the Lessor to exercise the rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

§11. Return of Units Upon Default. If this Lease shall terminate pursuant to §10 hereof, the Lessee shall

forthwith deliver possession of the Units to the Lessor..

For the purpose of delivering possession of any Unit or Units to the Lessor as above required, the Lessee shall at its own cost, expense and risk:

A. forthwith place such Units upon such storage tracks of the Lessee as the Lessor may designate or, in the absence of such designation, as the Lessee may select,

B. permit the Lessor to store such Units on such tracks for a period not exceeding six months at the risk of the Lessee, and

C. transport the same, at any time within such six months' period, to any place on the liens of railroad operated by it or any of its affiliates or to any connecting carrier for shipment, all as directed by the Lessor.

The assembling, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units.

Without in any way limiting the obligation of the Lessee under the foregoing provisions of this §11, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Unit to the Lessor, to demand and take possession of such Unit in the name and on behalf of the Lessee from whosoever shall be at the time in possession of such Unit.

In connection therewith Lessee will supply Lessor with such documents as Lessor may reasonably request.

§12. Assignment; Possession and Use. This Lease shall be assignable in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee of the Lessor except upon written notice of such assignment from the Lessor. All the rights of the Lessor hereunder (including but not limited to the rights under §10) shall inure to the benefit of the Lessor's assigns. Whenever the term Lessor is used in this Lease it shall apply and refer to each assignee of the Lessor.

So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession and use of the Units in accordance with the terms of this Lease, but, without the prior written consent of the Lessor (which may not be unreasonably withheld), the Lessee shall not assign, transfer or encumber its leasehold interest under this Lease in the Units or any of them (except to the extent that the provisions of any existing mortgage on any of the lines of railroad of the Lessee may subject such leasehold interest to the lien thereof); and, in addition, the Lessee, at its own expense, will as soon as possible cause to be duly discharged any lien, charge or other encumbrance (other than an encumbrance resulting from claims against the Lessor not related to the ownership of the Units) which may at any time be imposed on or with respect

to any Unit or the interest of the Lessor or the Lessee therein. The Lessee shall not, without the prior written consent of the Lessor (which may not be unreasonably withheld), part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Units, except to the extent permitted by the provisions of the next succeeding paragraph hereof.

So long as the Lessee shall not be in default under this Lease, the Lessee shall be entitled to the possession of the Units and to the use thereof upon the lines of railroad owned or operated by it (either alone or jointly) or by any corporation a majority of whose voting stock (i.e., having ordinary voting power for the election of a majority of its Board of Directors) is owned directly or indirectly by the Lessee, or upon lines of railroad over which the Lessee or any such corporation has trackage or other operating rights or over which railroad equipment of the Lessee is regularly operated pursuant to contract, and also to permit the use of the Units upon connecting and other railroads in the usual interchange of traffic, but only upon and subject to all the terms and conditions of this Lease.

Nothing in this §12 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Units or possession of the Units to any corporation (which shall have duly assumed the

obligations hereunder of the Lessee) into or with which the Lessee shall have become merged or consolidated or which shall have acquired the property of the Lessee as an entirety or substantially as an entirety.

The Lessee agrees that during the term of this Lease, the Lessee will not assign any Unit to service involving the operation and maintenance thereof outside the United States of America and that during such term any use of any Unit outside the United States of America will be limited to incidental and temporary use in Canada,

§13. Termination and Purchase Option. Unless an Event of Default as defined in §10 hereof shall have occurred and be continuing, the Lessee may, by written notice delivered to the Lessor on or after August 10, 1984, elect to terminate this Lease and to purchase any or all the Units for a purchase price of \$8,635.58 per Unit for all the Units as to which such option is exercised less a credit equal to the aggregate amount of all monthly rental payments theretofore made to Lessee pursuant to §2 hereof. Such election shall be made by delivering written notice thereof to Lessor, which notice shall set forth the number of Units as to which such option is exercised and a calculation of the purchase price therefor after giving effect to the credit referred to in the next preceeding sentence hereof and shall be accompanied by payment in full of such purchase price. If the foregoing option is exercised, the Units purchased by Lessee pursuant

thereto shall be those selected by the Lessor in its uncontrolled discretion as evidenced by a written designation delivered to the Lessee, and such Units may include Units which have been the subject of a Casualty Occurrence. Possession of all Units not so selected shall be delivered to the Lessor forthwith. For the purpose of making the foregoing selection and of delivering possession of any Unit or Units to the Lessor as above required, the Lessee shall at its own cost, expense and risk:

A. forthwith place all the Units upon such storage tracks of the Lessee as the Lessor may designate or, in the absence of such designation, as the Lessee may select,

B. permit the Lessor and its representatives to have access to all the Units for purposes of inspecting the same and making the selection of the Units to be delivered to Lessor and Lessee pursuant hereto,

C. permit the Lessor to store the Units to be delivered to the Lessor on such tracks for a period not exceeding six months at the risk of the Lessee, and

D. transport the same, at any time within such six months' period, to any place on the liens of railroad operated by it or any of its affiliates or to any connecting carrier for shipment, all as directed by the Lessor.

The assembling, selection, delivery, storage and transporting of the Units as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Units.

Upon satisfaction of all of the obligations of the Lessee hereunder Lessor shall promptly deliver to Lessee a bill of sale (without representation or warranty except as to title) covering the Units selected by Lessor for purchase by Lessee, in form and substance reasonably satisfactory to Lessee, and this Lease shall thereupon terminate.

§14. Purchase Option. The Lessee may, by written notice delivered to the Lessor not less than one nor more than three months prior to the date on which the final monthly payment of rent is due hereunder elect, unless an Event of Default as defined in §10 hereof shall have occurred and be continuing, to purchase on such date all, but not fewer than all, the Units then leased hereunder for a purchase price of \$1 per Unit. Such election shall be made by delivering written notice thereof to Lessor accompanied by payment in full of the purchase price for the Units, and upon receipt thereof and satisfaction of all of the obligations of the Lessee hereunder Lessor shall promptly deliver to Lessee a bill of sale (without representation or warranty except as to title) covering the Units, in form and substance reasonably satisfactory to Lessee.

§15. Opinion of Counsel. Concurrently with the execution and delivery of this Lease, the Lessee will deliver to the Lessor the written opinion of counsel for the Lessee, in scope and substance reasonably satisfactory to the Lessor and its counsel, to the effect that:

A. the Lessee is a corporation legally incorporated and validly existing, in good standing, under the laws of its jurisdiction of incorporation, with adequate corporate power to enter into this Lease;

B. this Lease has been duly authorized, executed and delivered by the Lessee and constitutes a valid, legal and binding agreement, enforceable in accordance with its terms, of the Lessee;

C. no approval is required from any public regulatory body with respect to the entering into or performance of this Lease; and

D. the entering into and performance of this Lease will not result in any breach of, or constitute a default under, or result in the creation of any lien, charge or encumbrance upon the Lessee's leasehold interest under this Lease in the Units (except to the extent that the provisions of any existing mortgage of the Lessee may require the subjection of the leasehold interest to the lien thereof) pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which the Lessee is a party or by which it may be bound.

§16. Recording. Prior to the delivery and acceptance of the Units, the Lessee will cause this Lease to be filed and recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. §11303. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register, record and deposit (and will refile, reregister, rerecord or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Lessor, for the purpose of proper protection, to the satisfaction of the Lessor, of its title to the Units, or for the purpose of carrying out the intention of this Lease.

§17. Interest on Overdue Rentals. Any nonpayment of rentals or other monies due hereunder shall result in the obligation on the part of the Lessee to pay also an amount equal to 10% (or the lawful rate, whichever is less) of the overdue rentals or other monies for the period of time during which they are overdue.

§18. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when deposited in the United States certified mails, first-class postage prepaid, addressed as follows:

If to the Lessor: c/o Condren, Walker & Co., Incorporated
9 West 57th Street
New York, New York 10019

If to the Lessee: Wells, Michigan 49894
Attention: President

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

§19. Severability. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

§20. Execution. This Lease, and any lease supplemental hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original, and

in each case such counterparts together shall constitute but one and the same instrument. Although this Lease is dated as of July 1, 1983 for convenience, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

§21. Law Governing. This Lease shall be construed, and all questions concerning its performance and the rights and remedies of the parties hereunder shall be determined, in accordance with the laws of New York; provided, however, that the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act, as amended.

IN WITNESS WHEREOF, the Lessor and the Lessee, each pursuant to due authority, have caused these presents to be signed in their respective names as of the date first above written.

MIDDLE AMERICA EQUIPMENT COMPANY

By: 

General Partner

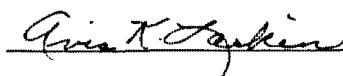
ESCANABA & LAKE SUPERIOR
RAILROAD COMPANY

By: 

President

[Corporate Seal]


Attest:



Secretary

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On this 27th day of September, 1983, before me personally appeared WILLIAM J. CONDREN, to me personally known, who, being by me duly sworn, says that he is a General Partner of MIDDLE AMERICA EQUIPMENT COMPANY, that said instrument was signed and sealed on behalf of said partnership by due authority and he acknowledged that the execution of the foregoing instrument was the free act and deed of said partnership.


KATHLEEN MOLLIKA
Notary Public, State of New York
No. 4710073
Qualified in Kings County
Commission Expires March 30, 1984
Notary Public *RM*

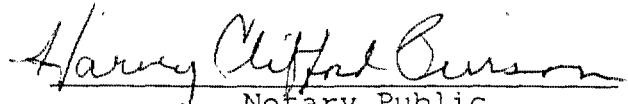
[Notarial Seal]

My Commission expires:

3/30/84

STATE OF MICHIGAN)
) ss.:
COUNTY OF DELTA)

On this 14th day of September, 1983, before me personally appeared John C. Larkin, to me personally known, who, being by me duly sworn, says that he is President of ESCANABA & LAKE SUPERIOR RAILROAD COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of the said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

[Notarial Seal]

My Commission expires:

February 26, 1984

Annex A

Car Numbers

(Illinois Central Railroad Company)

61700	61710	61720	61730	61740
61701	61711	61721	61731	61741
61702*	51713	61722	61732	61742
61704	61714	61723	61835	61743
61705	61715	61726	61837	61744
61706	61716	61727	61838	61745
61707	61719	61729	61839	61746
61708				61747
61709				61749

* Renumbered 979002 by Illinois Central Gulf Railroad Co.